

**6 September, 2011**

**Response to the Alcohol Health & Rehabilitation Foundation's call for changes to wine taxation**

The WFA is not going to engage with the AERF on alcohol taxation policy. That is a complex area of policy debate that goes beyond the AERF's simplistic mantra that the only way to deal with issues of alcohol abuse is to make alcohol more expensive.

The Federal Government considered all these issues during and after the Henry Review and took a common sense position.

Despite the AERF's claims, evidence shows increasing price doesn't stop problem drinkers drinking to excess – it just makes alcohol more expensive for ordinary people who drink in moderation.

Cask wine consumers, for example, are generally pensioners, who only have one or two glasses with their evening meal.

The way to address excessive drinking is through education and cultural change.

WFA has long recommended that the Government spend more of the many millions of dollars it collects in alcohol taxation on education and information and we have supported a number of initiatives to deal with specific problem areas.

We also don't need the AERF to tell us about the economics of our industry.

We must correct it on two points, however.

Cask and cleanskin wine is presently being sold at low prices due to the oversupply and not the tax system. This is not an Australian story, but a global story across countries with differing tax systems.

Boutique producers are not disenfranchised by the present system as the Wine Equalisation Tax Rebate ensures small producers do not bear the burden of the tax that consumers pay, allowing them to remain viable and make a significant economic contribution in regional Australia.

**Media enquiries: Nick Carne 0404 850 859 or [nick@wfa.org.au](mailto:nick@wfa.org.au)**